

California Public Utilities Commission

505 Van Ness Ave., San Francisco

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PRESS RELEASE

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Docket #: A.15-03-005

CPUC APPROVES TRANSFER OF CERTAIN VERIZON ASSETS TO FRONTIER

SAN FRANCISCO, December 3, 2015 - The California Public Utilities Commission (CPUC) today approved, with certain conditions, the transfer of wireline assets of Verizon California to Frontier Communications.

On March 18, 2015, Frontier, Verizon, and Newco West Holdings LLC filed an application for the CPUC's approval for the transfer of wireline assets held by Verizon California and Verizon Long Distance LLC, including all residential and business wireline customer accounts, to Frontier. With today's approval of the request, approximately 2.2 million customers of Verizon California will become customers of Frontier, and certain customers of Verizon LD will become customers of Frontier America. The assets to be transferred include, in addition to the customer accounts, the physical assets of Verizon California such as poles, wires, switches, trucks, central offices, and other landline facilities that cover a large part of the state and include some of California's most isolated rural communities.

The CPUC imposed conditions on the asset transfer that will result in significant improvements to the network, including expanded network redundancy in cases of emergencies, and more robust broadband deployment to rural areas. In addition, Frontier must offer broadband connectivity to all Lifeline-eligible Verizon customers, and Frontier must, for five years, collect and report annually data showing compliance of the merged companies with the CPUC's Supplier Diversity Program under General Order 156. Further, Frontier will utilize the California Advanced Services Fund and the Federal Connect America Fund programs, coupled with its own investment, to expand and enhance broadband services in the Verizon California service areas.

"The approval of the transfer of Verizon California's assets and operating franchise to Frontier creates a transformational opportunity for California. It triggers more than \$200 million in federal funding to build high-speed broadband networks in California's high-cost areas in rural and many urban communities," said Commissioner Catherine J.K. Sandoval, the Commissioner assigned to the proceeding. "More than 2.2 million service lines will be transferred from Verizon to Frontier, along with the opportunity to build new facilities and services. All Californians -- rural, urban, and those living in tribal regions -- and California's economy and public safety will benefit from the approval we granted today."

Today's Decision is based on many settlements and Memoranda of Understanding between the parties and Frontier that will help to assure the enforcement of the public interest conditions imposed on Frontier.

The proposal voted on is available at:

http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M156/K192/156192004.PDF.

For more information about the CPUC, please visit www.cpuc.ca.gov.

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